

HOUSE OF COMMONS

Prime Minister Statement on constitutional renewal

Wednesday 10 June 2009

[Check against delivery]

With permission, Mr Speaker, I should like to make a statement about the Government's proposal to invite the House to agree further democratic reform including legislation - before the House rises for the summer - on the conduct of MPs.

The last few months have shown us that the public require - as an urgent imperative - higher standards of financial conduct from all people in public life and an end to any abuses of the past. There is no more pressing task for this Parliament than respond immediately to this public demand.

I believe that most members of Parliament enter public life so they can service the public interest. I believe also that the vast majority of MPs work hard for their constituents and demonstrate by their service that they are in politics not for what they can get but for what they can give.

But all of us have to have the humility to accept that public confidence has been shaken and the battered reputation of this institution cannot be repaired without fundamental change.

At precisely the moment when the public need their politicians to be focused on the issues which affect their lives - on fighting back against recession, and keeping people in their jobs and homes - the subject of politics itself has become the focus of our politics.

Mr Speaker, we cannot move our country forward unless we break with these old practices and the old ways. Each of us has a part to play in the hard task of regaining the country's trust - not for the sake of our different parties, but for the sake of our common democracy.

Without this trust there can be no legitimacy - and without legitimacy, none of us can do the job our constituents have sent us here to do.

Mr Speaker we must reflect on what has happened, redress the abuses, make sure that nothing like this can ever happen again and make sure the public see us as individual MPs accountable to our constituents.

It will be what we now do, not just what we say, that will prove we have learnt and that we have changed.

First, Mr Speaker, all MPs' past and future expenses should and will be published on the internet in the next few days. Second home claims submitted by MPs from all sides of the House over the last four years must be scrutinised by the independently led panel. This will ensure repayment where it is necessary, and lead to discipline, where there have been inappropriate claims.

And, Mr Speaker, I know that you are working to conclude the reassessment process urgently. We must now publish the past four years' receipts and start and conclude the scrutiny process as quickly as possible.

The House has already agreed to restrict expenses further to those needed for Parliamentary duties alone; to cap the costs for housing; to require all spending to be receipted and to ensure that incomes from second jobs are fully accounted for.

All parties have committed themselves to accept the further recommendations of the independent Kelly Committee once they are received later this year - provided these proposals meet the tests of increased transparency, accountability and reduced costs for the taxpayer.

But Mr Speaker, these steps to sort out the expenses crisis are necessary but not sufficient, we need to go further.

At its first meeting yesterday, the Government's Democratic Council decided to bring forward new legislative proposals before the summer adjournment, on two issues which have been the subject of constructive cross-party discussion.

First we propose that the House of Commons - and then subsequently the House of Lords - move from the old system of self-regulation to independent, statutory regulation. This will mean the immediate creation of a new Parliamentary Standards Authority with delegated power to regulate the system of allowances. No more can Westminster operate in ways reminiscent of the last century where the members make up the rules and operate them among themselves.

The proposed new authority would take over the role of the Fees Office in authorising members' claims; oversee the new allowance system - following proposals from the Committee on Standards in Public Life; maintain the register of Members' interests; and disallow claims, require repayment and apply firm and appropriate sanctions in cases of financial irregularity. Mr Speaker, I welcome the cross-party support for these proposals.

I believe that the whole house will also wish to agree as part of this process that the new regulator should scrutinise efficiency and value for money in Parliament's expenditure, and ensure, as suggested to Sir Christopher Kelly, that Parliament costs less.

Second, the House will be asked to agree a statutory code of conduct for all MPs, clarifying their role in relation to their constituents and Parliament - detailing what the electorate can expect from their MPs and the consequences that will follow for those who fail to deliver. It will codify much more clearly the different potential offences that must be addressed and the options available to sanction.

Mr Speaker, these measures will be included in a short self-standing Bill - on the conduct of members in the Commons - which will be introduced and be debated before the summer adjournment. Mr Speaker, this will address the most immediate issues about which we know the public are most upset - but it will only be the first stage of our legislation on the constitution.

The current system of sanctions for misconduct by members is not fit for purpose and does not give the public the confidence they need that wrongdoing will be dealt with in an appropriate way. The last person to be expelled from this House was 55 years ago - in 1954 - and it remains the case that members can be sentenced to prison for up to a year without being required to give up their

Parliamentary seat. The sanctions available against financial misconduct or corruption have not been updated to meet the needs of the times.

This is not a modern and accountable system that puts the interests of constituents first. It needs to change.

There will be consultation with all sides of the House to come forward with new proposals for dealing effectively with inappropriate behaviour, including potentially the options of effective exclusion and recall for gross financial misconduct identified by the new independent regulator and the house itself.

And the House of Lords needs to be reformed too. So following a meeting of the House Committee of the House of Lords, and at their request, I have today written to the Senior Salaries Review Body to ask them to review the system of financial support in the House of Lords to increase its accountability, to enhance its transparency and reduce its costs. For the first time there will also be legislation for new disciplinary sanctions for the misconduct of peers in the House of Lords.

We must also take forward urgent modernisation of the procedures of the House of Commons. So I am happy to give the Government's support to a proposal from my RT Hon friend the Chairman of the Public Administration Select Committee - that we will work with a Special Parliamentary Commission comprising members from all sides of this House, convened for a defined period to advise on necessary reforms - including making Select Committee processes more democratic, scheduling more and better time for non-government business in the House, and enabling the public to initiate directly some issues for debate.

And given the vital role transparency has played in sweeping aside the discredited system of allowances, and holding power to account, I believe we should do more to spread the culture and practice of freedom of information.

So as a next step, the Justice Secretary will set out further plans to look at broadening the application of Freedom of Information to include additional bodies which also need to be subject to greater transparency and accountability. This is the public's money. They should know how it is spent.

I should also announce that, as part of extending the availability of official information and as our response to the Dacre Review, we will progressively reduce the time taken to release official documents.

As the report recommended, we have considered the need to strengthen protection for particularly sensitive material and there will be protection of Royal Family and Cabinet papers as part of strictly limited exemptions. But we will reduce the time for release of all other official documents below the current 30 years, to 20 years.

And so that Government information is accessible and useful for the widest possible group of people, I have asked Sir Tim Berners-Lee who led the creation of the World Wide Web, to help us drive the opening up of access to Government data in the web over the coming month.

Mr Speaker, in the last 12 years, we have created the devolved administrations, ended the hereditary principle in the House of lords, and introduced the Freedom of Information Act and the Human Rights Act.

But just as through recent changes we are removing ancient royal prerogatives and making the Executive more accountable to Parliament, so, to we will want to establish and renew the legitimacy and status of Parliament itself, must now become more accountable to the people.

And Mr Speaker, democratic reform cannot be led in Westminster alone. Rather it must principally be led by our engagement with the public. That is part of the lesson of the last month. The public want to be and should be, part of the solution. So we must build a process that engages citizens themselves, people of all parties and none, of all faiths and no faith, from every background and every part of the country.

So over the coming weeks, the Government will set out proposals for debate and reform on five major issues.

First, we will move forward with reform of the House of Lords. The Government's White Paper, published last July, and for which there is backing from other parties, committed us to an 80 per cent or 100 per cent elected House of Lords. We must now take the next steps as we complete this reform. The Government will come forward with published proposals for the final state of House of Lords reform before the summer break - including the next steps we can take to resolve the position of the remaining hereditary peers and other outstanding issues.

Second, setting out the rights that people can expect but also the responsibilities that come with those rights as a British citizen is a fundamental step in balancing power between Government, Parliament and the people. Mr Speaker, it is to some people extraordinary that in Britain we still have a largely unwritten constitution. I personally favour a written constitution but I recognise that changing this would represent an historic shift in our constitutional arrangements so such proposals will be subject to wide public debate and ultimately the drafting of such a constitution would be a matter for the widest possible consultation with the British people themselves.

Third is the devolution of power and engagement of people themselves in their local communities.

The House will be aware of the proposals for the completion of devolution of policing and justice in Northern Ireland.

Next week the Calman Commission will report with recommendations on the future of devolution in Scotland within the UK. The Government's 2006 Act permits further Devolution in Wales on which there are discussions.

And My Right Honourable Friend, the Communities and Local Government Secretary will set out how we will strengthen the engagement of citizens in the democratic life of their own communities as we progress the next stage of devolution in England - so we must consider whether we should offer stronger, clearly defined powers to local Government and city-regions and strengthen their accountability to local people.

Mr Speaker, last year we published our review of the electoral system and there is a long-standing debate on this issue. I still believe the link between the MP and constituency is essential and that it is the constituency that is best able to hold MPs to account. We should only be prepared to propose change if there is a broad consensus in the country that it would strengthen our democracy and our politics by improving the effectiveness and legitimacy of both Government and Parliament; and by enhancing the level and quality of public representation and engagement. Mr Speaker, we will set out proposals for taking this debate forward.

Fifth, we will set out proposals for increasing public engagement in politics. To improve electoral registration, we will consider how we increase the number of people on the register and help to combat fraud. And on receipt of the Youth Citizenship Commission Report - and having heard from young people themselves - we will set out the steps we will take to increase the engagement of young people in politics - including whether to give further consideration to the voting age.

Mr Speaker, as we come forward with proposals, in each case the Government will look to consult widely. And all proposed reforms will be underpinned by cross-party discussions. Our proposals will also be informed by leading external figures, including academics and others who command public respect and have a recognised interest or expertise in the different elements of democratic reform. I expect this to in time to shape the Government's forward legislative programme and to feed into the Queen's Speech.

Mr Speaker, in the midst of all the rancour and recrimination, let us seize the moment to lift our politics to a higher standard. In the midst of doubt, let us revive confidence. Let us stand together because on this at least I think we all agree: that Britain deserves a political system equal to the hopes and character of our people. Let us differ on policy; that is inevitable. But let us stand together for integrity and democracy; that is now more essential than ever. And I commend this statement to the House.